

# ASX RELEASE.

---

## BELL FINANCIAL GROUP

23 August 2011

### Financial results for the half-year ended 30 June 2011

In accordance with the Listing Rules, please find attached the following materials for immediate release to the market:

1. Appendix 4D – half-year report
2. Media release
3. Condensed Consolidated Interim Financial Report.



Paul Vine  
Company Secretary

# Appendix 4D

## Half-Year Report

Bell Financial Group Ltd  
Half-year ended 30 June 2011

### Listing Rule 4.3A

Company: Bell Financial Group Ltd

ASX Code BFG

Half-Year Ended 30 June 2011

ABN 59 083 194 763

1. The information contained in this report is for the half-year ended 30 June 2011 and the previous corresponding period, 30 June 2010.
2. Statutory Results for Announcement to the market for the Bell Financial Group Ltd Consolidated Group:

			\$ ('000)
Total Revenue from ordinary activities:	down 2.5% to		87,020
Profit from ordinary activities after income tax:	down 24.2% to		6,339
Basic earnings per share			2.5c
Diluted earnings per share			2.4c
<u>Dividends</u>	Amount	Amount per security	Franked amount per security
Interim dividend (declared)	\$5,053	2.0c	2.0c
Record date for determining entitlements to the dividend: 9 September 2011			
Date the dividend is payable: 23 September 2011			

4. Brief explanation of any of the figures mentioned above necessary to enable the figures to be understood:

Refer attached Release to Market.

**5. Financial Report**

Refer to Bell Financial Group Ltd's Condensed Interim Financial Report (attached).

**6. Dividends or distribution reinvestment plans**

Dividend or distribution reinvestment plans in operation - not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans - not applicable.

**7. NTA backing**

	30 June 2011	31 December 2010
Net tangible asset backing per ordinary share	\$0.20	\$0.19

**8. Details of Associate**

Entity name: Third Party Platform Pty Ltd

Percentage holding: 40.3%

**9. Entities over which control has been gained or lost**

None

**10. Commentary on the results for the period**

Refer to Bell Financial Group Ltd Condensed Interim Financial Report attached.

**11. Reviewed accounts**

The accounts have been reviewed and are not subject to qualification.



Paul Vine  
Company Secretary  
22 August 2011

## **MEDIA RELEASE**

**DATE: 23 August 2011**

### **Results and interim dividend for the six months to 30 June 2011**

Bell Financial Group (ASX:BFG), one of Australia's leading full service broking and financial advisory firms, today released its interim financial report for the six month period to 30 June 2011.

As announced to the market on 20 July 2011, the profit result of \$6.3m was down approximately 24% on the previous corresponding period. Excluding one-off items, the performance of the core operating business was ahead of the previous corresponding period.

Factors influencing the result were summarised in the 20 July announcement as follows:

- revenue from daily execution of \$51m, down from \$55m, consistent with lower market volumes particularly in the second quarter;
- Equity Capital Market (ECM) revenue improved from \$10.5m to \$19.7m, reflecting an increase in the number of completed mandates across all sectors;
- fixed costs which we always manage closely were broadly in line with last year; and
- one-off, non-cash losses associated with the disposal of legacy listed and unlisted options (held within Southern Cross Equities) previously received as part ECM fee income.

The Company declared a fully franked interim dividend of 2 cents per share.

ENDS...

#### **About Bell Financial Group**

Bell Financial Group Ltd ([bellfg.com.au](http://bellfg.com.au), ASX:BFG) is one of Australia's leading full service stock broking and financial advisory firms with a strong track record of providing high quality, professional advice to private, institutional and corporate investors. Bell Potter has 14 offices covering Australia plus one in the UK and has one of the largest distribution networks in the country. Its consistent aim is to meet its clients' investment objectives.

#### **For more information, please contact:**

Michael Mullane

**Cannings Corporate Communications**

+61 2 8284 9990

Bell Financial Group Ltd  
ABN 59 083 194 763

Condensed Consolidated Interim Financial Report  
30 June 2011

# Contents

	Page
• Directors' report	3
• Lead auditor's independence declaration	5
• Condensed consolidated income statement	6
• Condensed consolidated statement of comprehensive income	7
• Condensed consolidated statement of financial position	8
• Condensed consolidated statement of changes in equity	9
• Condensed consolidated statement of cash flows	10
• Notes to the condensed consolidated interim financial statements	11
• Directors' declaration	18
• Independent auditor's review report	19

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with Bell Financial Group Ltd's annual report for the year ended 31 December 2010 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' Report

The Directors of Bell Financial Group Ltd ("Bell Financial" or the "Company") present their report, together with the financial statements of the Company and its controlled entities (the "consolidated entity" or "Group") and the auditor's review report thereon, for the half-year ended 30 June 2011.

### Directors

The Directors of the Company at any time during or since the end of the half-year and up to the date of signing this report are:

#### Executive Directors

Mr C Bell  
Mr A Provan  
Mr B Potts

#### Non-executive Directors

Mr C Coleman  
Mr G Cubbin  
Mr M Spry  
Mr B Wilson

All Directors held office throughout the period ended 30 June 2011.

### Principal activities

Bell Financial is an Australian based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. Operating across 14 offices nationwide and an office based in London, Bell Financial has over 650 employees, including more than 320 experienced advisers, serving over 125,000 active clients with funds under advice of over \$21 billion.

### Review and results of operations

The consolidated profit after income tax attributable to members for the half-year ended 30 June 2011 was \$6.3 million (2010: \$8.4 million). This represents a 24% decrease over the prior comparative period covering the half-year ended 30 June 2010.

The Company has declared a fully franked interim dividend of 2.0 cents per share (2010: 2.5 cents). The dividend record date is 9 September 2011 and payment is expected to be made on 23 September 2011.

## **Matters subsequent to the end of the financial half-year**

No matters or circumstances have arisen since the end of the half-year period that in the opinion of the Directors of the Group have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## **Indemnification and insurance of Directors**

The Company has agreed to indemnify the current Directors against all liabilities to another person (other than the Company or related entity) that may arise from their position as Directors of the Company, except where the liabilities arise out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of liabilities covered by the insurance, the limit of the indemnity and the amount of the premium paid under the contract.

## **Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half-year ended 30 June 2011.

## **Rounding of amounts**

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 January 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors.



**Colin Bell**  
Executive Chairman

22 August 2011



## Lead auditor's Independence Declaration



### *Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of Bell Financial Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

  
KPMG

  
Don Pasquariello  
Partner

Melbourne

22 August 2011

## Condensed consolidated income statement

For the half-year ended 30 June 2011

	Half-year ended 30 June	
	2011	2010
	\$ '000s	\$ '000s
Rendering of services	81,569	76,933
Finance income	10,190	9,628
Investing income	(5,073)	2,156
Other income	334	519
<b>Total revenue</b>	<b>87,020</b>	<b>89,236</b>
Employee expenses	(52,989)	(53,534)
Depreciation & amortisation expenses	(616)	(778)
Occupancy expenses	(5,059)	(5,018)
Systems & communication expenses	(7,031)	(7,063)
Professional expenses	(1,479)	(1,058)
Finance expenses	(4,969)	(4,596)
Other expenses	(5,001)	(4,493)
<b>Results from operating activities</b>	<b>9,876</b>	<b>12,696</b>
Share of profit/(loss) of equity accounted investments (net of income tax)	(538)	(506)
<b>Profit before income tax</b>	<b>9,338</b>	<b>12,190</b>
Income tax (expense) / benefit	(2,999)	(3,825)
<b>Profit after tax for the period</b>	<b>6,339</b>	<b>8,365</b>
<b>Attributable to:</b>		
Equity holders of the Company	6,339	8,365
<b>Profit for the period</b>	<b>6,339</b>	<b>8,365</b>
<b>Earnings per share:</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	2.5	3.5
Diluted earnings per share	2.4	3.3

The notes on pages 11 to 17 are an integral part of these consolidated interim financial statements.

## Condensed consolidated statement of comprehensive income

For the half-year ended 30 June 2011

	Half-year ended 30 June	
	2011 \$ '000s	2010 \$ '000s
<b>Profit for the period</b>	6,339	8,365
<b>Other comprehensive income</b>		
Effective portion of changes in fair value of cash flow hedge	(90)	(237)
<b>Other comprehensive income for the period, net of tax</b>	(90)	(237)
<b>Total comprehensive income for the period</b>	6,249	8,128
<b>Attributable to:</b>		
Equity holders of the Company	6,249	8,128
<b>Total comprehensive income for the period</b>	6,249	8,128

The notes on pages 11 to 17 are an integral part of these consolidated interim financial statements.

## Condensed consolidated statement of financial position

As at 30 June 2011

	Note	As at 30 June 2011 \$ '000	As at 31 Dec 2010 \$ '000
<b>Assets</b>			
Cash and cash equivalents		91,721	126,674
Trade and other receivables		90,604	64,778
Loans and advances	7.	161,129	174,907
Financial assets		2,549	18,044
Prepayments		678	701
<b>Total current assets</b>		<b>346,681</b>	<b>385,104</b>
Investments in equity accounted investees		10,511	10,439
Deferred tax assets		2,870	2,908
Property, plant and equipment		2,772	2,530
Goodwill	8.	118,817	126,479
Intangible assets		1,890	2,036
<b>Total non-current assets</b>		<b>136,860</b>	<b>144,392</b>
<b>Total assets</b>		<b>483,541</b>	<b>529,496</b>
<b>Liabilities</b>			
Trade and other payables	9.	123,938	93,333
Financial liabilities		-	2,449
Deposits and borrowings	10.	169,859	204,215
Current tax liabilities		2,319	3,159
Derivative liability		98	8
Employee benefits		10,830	21,107
Provisions		1,199	24,482
<b>Total current liabilities</b>		<b>308,243</b>	<b>348,753</b>
Deferred tax liability		80	1,781
Employee benefits		2,734	2,621
<b>Total non-current liabilities</b>		<b>2,814</b>	<b>4,402</b>
<b>Total liabilities</b>		<b>311,057</b>	<b>353,155</b>
<b>Net assets</b>		<b>172,484</b>	<b>176,341</b>
<b>Equity</b>			
Contributed equity		157,666	157,666
Reserves		30,197	34,054
Retained earnings / (losses)		(15,379)	(15,379)
<b>Total equity attributable to equity holders of the Company</b>		<b>172,484</b>	<b>176,341</b>

The notes on pages 11 to 17 are an integral part of these consolidated interim financial statements.

Condensed consolidated statement of changes in equity  
For the half-year ended 30 June 2011

	Share capital	Distributable profits reserve	Cash flow hedge reserve	Retained earnings	Total equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 January 2010</b>	147,742	33,081	197	(15,379)	165,641
<b>Total comprehensive income</b>					
Profit or loss for the period	-	-	-	8,365	8,365
<b>Other comprehensive income</b>					
Effective portion of changes in fair value of cash flow hedge	-	-	(237)	-	(237)
Total other comprehensive income	-	-	(237)	-	(237)
Total comprehensive income for the period	-	-	(237)	8,365	8,128
<b>Transactions with owners, directly in equity</b>					
Transfer of retained earnings	-	8,365	-	(8,365)	-
Dividends	-	(14,532)	-	-	(14,532)
<b>Balance at 30 June 2010</b>	147,742	26,914	(40)	(15,379)	159,237
<b>Balance at 1 January 2011</b>	157,666	34,062	(8)	(15,379)	176,341
<b>Total comprehensive income</b>					
Profit or loss for the period	-	-	-	6,339	6,339
<b>Other comprehensive income</b>					
Effective portion of changes in fair value of cash flow hedge	-	-	(90)	-	(90)
Total other comprehensive income	-	-	(90)	-	(90)
Total comprehensive income for the period	-	-	(90)	6,339	6,249
<b>Transactions with owners, directly in equity</b>					
Transfer of retained earnings	-	6,339	-	(6,339)	-
Dividends	-	(10,106)	-	-	(10,106)
<b>Balance at 30 June 2011</b>	157,666	30,295	(98)	(15,379)	172,484

The notes on pages 11 to 17 are an integral part of these consolidated interim financial statements.

## Condensed consolidated statement of cash flows

For the half-year ended 30 June 2011

	Half-year ended 30 June	
	2011 \$ '000s	2010 \$ '000s
<b>Cash flows from / (used in) operating activities</b>		
Cash receipts from customers	76,028	83,281
Cash paid to suppliers and employees	(92,170)	(59,397)
Cash generated from / (used in) operations	(16,142)	23,884
Dividends received	77	64
Interest received	10,198	9,540
Interest paid	(4,969)	(4,596)
Income taxes paid	(5,499)	(8,414)
<b>Net cash from / (used in) operating activities</b>	(16,335)	20,478
<b>Cash flows from / (used in) investing activities</b>		
Net proceeds from sale of listed investments	7,920	1,413
Acquisition of other investments	(637)	(2,916)
Acquisition of property, plant and equipment	(712)	(1,161)
<b>Net cash from / (used in) investing activities</b>	6,571	(2,664)
<b>Cash flows used in financing activities</b>		
Repayment of borrowings	(15,083)	(19,576)
Dividends paid	(10,106)	(14,532)
<b>Net cash used in financing activities</b>	(25,189)	(34,108)
Net decrease in cash and cash equivalents	(34,953)	(16,294)
Cash and cash equivalents at 1 January	126,674	125,197
<b>Cash and cash equivalents at 30 June</b>	91,721	108,903

The notes on pages 11 to 17 are an integral part of these consolidated interim financial statements.

## Notes to the condensed consolidated interim financial statements

### 1. Reporting entity

Bell Financial Group Ltd (the “Company” or “Bell Financial”) is domiciled in Australia. The consolidated financial statements of the Company comprise the Company and its subsidiaries (the “Group” or “Consolidated Entity”) and the Group’s interest in associates.

The consolidated annual financial report of the Group as at and for the year ended 31 December 2010 is available upon request from the Company’s registered office at Level 29, 101 Collins Street, Melbourne or at [www.bellfg.com.au](http://www.bellfg.com.au).

### 2. Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2010 along with any public announcements made by the company during the interim reporting period.

This condensed consolidated interim financial report was approved by the Board of Directors on 22 August 2011.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### 3. Significant accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2010.

## Notes to the condensed consolidated interim financial statements

### 4. Estimates

The preparation of the condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2010. During the period, management reviewed estimates in respect of:

- recoverability of deferred taxes;
- impairment of loans and advances;
- impairment of goodwill and intangibles;
- legal provisions; and
- long service leave provisions.

### 5. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 31 December 2010.



# Notes to the condensed consolidated interim financial statements

## 6. Segment reporting

Up until 30 June 2011 the Group comprised the following main business segments:

- Broking (Bell Potter) – equities, futures, foreign exchange, corporate fee income and portfolio administration services
- Broking (Southern Cross) – equities and corporate fee income
- Margin lending and deposits

<b>30 June 2011</b>	<b>Broking Bell Potter 2011 \$ '000</b>	<b>Broking Southern Cross 2011 \$ '000</b>	<b>Margin lending 2011 \$ '000</b>	<b>Eliminations 2011 \$ '000</b>	<b>Consolidated 2011 \$ '000</b>
Revenue from operations	62,347	16,444	8,229	-	87,020
Profit / (loss) after tax	4,038	1,481	820	-	6,339
Segment assets	272,003	18,723	195,903	(13,599)	473,030
Investment in associates	10,511	-	-	-	10,511
<b>Total assets</b>	<b>282,514</b>	<b>18,723</b>	<b>195,903</b>	<b>(13,599)</b>	<b>483,541</b>
Segment liabilities	128,675	6,511	189,470	(13,599)	311,057
<b>Total liabilities</b>	<b>128,675</b>	<b>6,511</b>	<b>189,470</b>	<b>(13,599)</b>	<b>311,057</b>
<b>Other segment details</b>					
Finance income	1,936	368	8,224	(338)	10,190
Finance expenses	(243)	(13)	(5,051)	338	(4,969)
Depreciation / amortisation	(525)	(91)	-	-	(616)
Share of net losses of associates	(538)	-	-	-	(538)

<b>30 June 2010</b>	<b>Broking Bell Potter 2010 \$ '000</b>	<b>Broking Southern Cross 2010 \$ '000</b>	<b>Margin lending 2010 \$ '000</b>	<b>Eliminations 2010 \$ '000</b>	<b>Consolidated 2010 \$ '000</b>
Revenue from operations	60,806	20,614	7,816	-	89,236
Profit / (loss) after tax	2,622	4,969	774	-	8,365
Segment assets	274,746	28,407	219,299	(13,000)	509,452
Investment in associates	8,529	-	-	-	8,529
<b>Total assets</b>	<b>283,275</b>	<b>28,407</b>	<b>219,299</b>	<b>(13,000)</b>	<b>517,981</b>
Segment liabilities	141,793	15,576	214,375	(13,000)	358,744
<b>Total liabilities</b>	<b>141,793</b>	<b>15,576</b>	<b>214,375</b>	<b>(13,000)</b>	<b>358,744</b>
<b>Other segment details</b>					
Finance income	1,828	291	7,807	(298)	9,628
Finance expenses	(78)	(10)	(4,806)	298	(4,596)
Depreciation / amortisation	(651)	(127)	-	-	(778)
Share of net losses of associates	(506)	-	-	-	(506)

## Notes to the condensed consolidated interim financial statements

### 7. Loans and advances

The following loans and advances were held during the period:

	30 June 2011 \$ '000s	31 December 2010 \$ '000s
<b>Current</b>		
Margin Lending	161,129	174,907
	<u>161,129</u>	<u>174,907</u>

There were no impaired, past due or renegotiated loans at 30 June 2011 (2010: nil).

### 8. Goodwill

#### Cost and carrying amount

	\$ '000s
Balance at 1 July 2010	103,496
Additional consideration (Southern Cross Equities)	22,983
Impairment / amortisation	-
Balance at 31 December 2010	<u>126,479</u>
Balance at 1 January 2011	126,479
Additional consideration adjustment (Southern Cross Equities)	(7,662)
Impairment / amortisation	-
Balance at 30 June 2011	<u>118,817</u>

The decrease in goodwill recorded in the period relates to the finalisation of consideration payable for the purchase of Southern Cross Equities Limited ('SCE'). Refer to note 9 for further details.

## Notes to the condensed consolidated interim financial statements

### 9. Trade and other payables

	30 June 2011 \$ '000s	31 December 2010 \$ '000s
<b>Current</b>		
Settlement obligations	75,658	35,580
Sundry creditors and accruals	10,164	10,511
Segregated client liabilities	22,795	47,242
Due to related entities	15,321	-
	<b>123,938</b>	<b>93,333</b>

'Settlements obligations' are non-interest bearing and are normally settled on 3-day terms. 'Sundry creditors' are normally settled on 60-day terms.

'Due to related entities' relates to consideration payable for the purchase of SCE based on performance benchmarks achieved for the period 1 July 2010 to 30 June 2011.

#### Acquisition of Southern Cross Equities Limited ('SCE')

The Company's 2008, 2009 and 2010 Annual Reports summarised details of the acquisition by the Company of all the issued capital of SCE and the amendments to the terms of that acquisition.

As a result of the new agreements made in 2009, from 1 July 2009 SCE was entitled to pay total remuneration to front office employees of up to 50% of SCE revenue (increased from 40%). The consideration for these amendments was a reduction in the total potential purchase price for SCE from \$145.8m to \$114.8m. The balance of the price was payable 50% in cash and 50% in Bell Financial shares.

One quarter of the original cash consideration was paid on completion (30 September 2008). The revised agreement reduced the three further equal cash instalments potentially payable on the anniversary of completion in 2009, 2010 and 2011 respectively from \$18.2m to \$13.1m (totalling \$39.3m). Those payments were subject to the original performance benchmarks being met.

The scrip component of the consideration was satisfied on completion by the issue of 14,580,000 Ordinary shares, 14,580,000 A Class, 14,580,000 B Class and 14,580,000 C Class shares. In 2009 the number of A, B and C Class shares was reduced from 14,580,000 to 10,446,681. Those A, B and C Class shares potentially converted into Ordinary shares on the anniversary of completion in 2009, 2010 and 2011 respectively, subject to the performance benchmarks being met. If the performance benchmarks were fully met then all A Class, B Class and C Class shares would be converted to Ordinary BFG shares on a one for one basis. If the benchmarks were not met, the purchase price would be adjusted.

SCE revenue for the financial year 1 July 2008 to 30 June 2009 did not reach the first benchmark of \$37.4m therefore no cash or scrip instalment was payable to the SCE vendors for 2009. At 30 June 2010 SCE had met the performance benchmark for the full second instalment, which was paid in the final quarter of 2010. This instalment included the B Class shares being converted into Ordinary shares of the Company on 29 September 2010.

At 30 June 2011 SCE revenue met the performance benchmark for two-thirds of the third and final instalment, which will be paid in the fourth quarter of 2011. Two-thirds of the C Class shares will also be converted into Ordinary shares. As revenue did not exceed the benchmark in the 2011 year, none of the 2009 cash instalment is payable and the A Class shares will not be converted into Ordinary shares.

## Notes to the condensed consolidated interim financial statements

### 9. Trade and other payables (continued)

Total consideration paid for the SCE business will be approximately \$70m, consisting of approximately \$40m cash and 32 million shares in the Company. Under the original arrangements, the potential consideration was \$72.9m cash and 58.3m shares.

### 10. Deposits and borrowings

This note provides information about the contractual terms of the Group's interest-bearing deposits and borrowings.

	30 June 2011 \$ '000s	31 December 2010 \$ '000s
<b>Current</b>		
Deposits <sup>1</sup>	169,859	189,132
Cash advance facility <sup>2</sup>	-	15,000
Finance lease liabilities	-	83
	<u>169,859</u>	<u>204,215</u>

1 Deposits relate to Margin Lending / Cash Account business (Bell Potter Capital) which are largely at call.

2 Represents drawn funds from available cash advance facility of \$150 million.

### Terms and debt repayment schedule

	Nominal interest rate	Year of maturity	Face value 2011 \$ '000	Carrying amount 2011 \$ '000	Face value 2010 \$ '000	Carrying amount 2010 \$ '000
Deposits	3.05%	At call	169,859	169,859	189,132	189,132
Cash advance facility	5.58%	2011	-	-	15,000	15,000
Finance lease liabilities	7.76%	2011	-	-	83	83
			<u>169,859</u>	<u>169,859</u>	<u>204,215</u>	<u>204,215</u>

### 11. Dividends

Dividends paid or declared by the Group to shareholders during the period were as follows:

	Half-year ended 30 June	
	2011 \$ '000s	2010 \$ '000s
Final 2010 ordinary dividend - 4 cents per share (paid 25 March 2011)	<u>10,106</u>	<u>14,532</u>

All dividends are fully franked based on 30% tax rate. On 22 August 2011, the Directors declared an interim dividend of 2.0 cents per share, payable on 23 September 2011 (2010: 2.5 cents). This amount is not accrued within the financial statements.

## Notes to the condensed consolidated interim financial statements

### **12. Subsequent events**

No matters or circumstances have arisen since the end of the half-year period that in the opinion of the Directors of the Group have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### **13. Related parties**

There have been no significant changes to the arrangements with related parties. Refer to the full 2010 Annual Financial report for details.

### **14. Commitments and contingencies**

The Directors are of the opinion that apart from that already provided for in the financial statements, no further provisions are required in respect of any matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

## Directors' declaration

In the opinion of the Directors of Bell Financial Group Ltd ("the Company"):

1. the financial statements and notes set out on pages 6 to 17, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the six month period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 22<sup>nd</sup> day of August 2011.

Signed in accordance with a resolution of the Directors.



**Colin Bell**  
Executive Chairman

## Independent auditor's review report



### Independent auditor's review report to the members of Bell Financial Group Ltd

#### Report on the interim financial report

We have reviewed the accompanying interim financial report of Bell Financial Group Ltd, which comprises the condensed consolidated statement of financial position as at 30 June 2011, condensed consolidated income statement and condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the interim period ended on that date, notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

#### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2011 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Bell Financial Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**Independent auditor's review report – continued**



*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bell Financial Group Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2011 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in dark ink, appearing to read 'KPMG', with the letters 'K', 'P', 'M', and 'G' clearly visible.

KPMG

A handwritten signature in dark ink, appearing to read 'Don Pasquariello', with a large, stylized 'D' and 'P'.

Don Pasquariello  
Partner

Melbourne

22 August 2011